

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

Aladdin Knowledge Systems, Ltd.,	:	
Plaintiff,	:	
v.	:	CIVIL ACTION NO. 05-149 (GMS)
	:	
Feitian Technologies Co., Ltd., et al.,	:	
	:	
Defendants.	:	
	:	

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EXHIBIT H

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

NO. 05-149

ALADDIN KNOWLEDGE SYSTEMS, )	DEPOSITION UPON
LTD., )	
)	ORAL EXAMINATION
)	
Plaintiffs,) )	OF
)	
- vs - )	WEI LI
)	
FEITIAN TECHNOLOGIES CO., )	
LTD., )	
)	
)	
Defendants.)	

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TRANSCRIPT OF CONTINUATION OF TELEPHONIC  
DEPOSITION, taken by and before ELISABETTA L. ANDREINI,  
Professional Reporter and Notary Public, at the offices  
of KLEHR, HARRISON, HARVEY, BRANZBURG & ELLERS,  
Philadelphia, Pennsylvania, on Wednesday, October 25,  
2006, commencing at 9:00 p.m.

ERSA COURT REPORTERS  
30 South 17th Street  
United Plaza - Suite 1520  
Philadelphia, Pennsylvania 19103

ORIGINAL

WEI LI

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A P P E A R A N C E S:

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Via Telephone

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WEI LI

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I N D E X

WITNESS

PAGE

WEI LI

By: Ms. O'Laughlin

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- - -

E X H I B I T S

PAGE

NUMBER

DESCRIPTION

MARKED

(There were no exhibits marked at this time.)

WEI LI

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1                   -- PROCEEDINGS --

2           MS. O'LAUGHLIN: This is a continuation  
3 of the jurisdictional discovery deposition of  
4 Feitian designee, Wei Li. Now, on the first  
5 day of Mr. Li's deposition, which was on  
6 August 30, 2006, Mr. Reeves, Feitian objected  
7 to any questions during the deposition as to  
8 any of Feitian U.S. contacts other than with  
9 Delaware and California. Since then  
10 documents have been produced by Feitian U.S.  
11 distributor RF Ideas, Inc., which does  
12 business as Security Tokens, and those  
13 documents have been provided to Feitian.  
14 Will Feitian allow Aladdin to ask questions  
15 concerning its contacts with states other  
16 than Delaware and California including  
17 Illinois at this deposition?

18           MR. REEVES: No.

19           MS. O'LAUGHLIN: Okay. Aladdin isn't --

20           MR. REEVES: The court order was that  
21 Delaware and California, and so for the most  
22 part, we're going to do that.

23           MS. O'LAUGHLIN: Mr. Reeves, would you  
24 repeat that? There's a bad echo for some

WEILI

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1 reason. I don't know. It seems to be on  
2 your end. Can you hear the echo?

3 MR. REEVES: I hear the echo, so I'll  
4 try to go slowly.

5 MS. O'LAUGHLIN: Please.

6 MR. REEVES: We are going to maintain  
7 our objections except to the extent that the  
8 court has overruled them, which is in  
9 California and Delaware.

10 MS. O'LAUGHLIN: Okay. Mr. Reeves, the  
11 echo is pretty bad. Do you think that you  
12 could hang up and then rejoin the conference,  
13 or is there something you can do on your end  
14 to make the echo go away?

15 MR. REEVES: All right. Does this help?

16 MS. O'LAUGHLIN: Yes, a little.

17 MR. REEVES: I still hear a lot of echo  
18 on my end.

19 MS. O'LAUGHLIN: I do too. I don't know  
20 why that's happening.

21 MR. REEVES: I will hang up and  
22 immediately call back.

23 (Brief pause.)

24 MR. REEVES: Hello?

WEI LI

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1 MS. O'LAUGHLIN: I still hear it, and I  
2 just had the interpreter tell Mr. Li that you  
3 had gotten off the phone and then rejoined us  
4 because of the problem with the phone and  
5 there wasn't a problem when I was just  
6 talking to Mr. Li. So it is on your end, but  
7 we'll try to work through it.

8 MR. REEVES: Okay.

9 MS. O'LAUGHLIN: Okay. Aladdin is not  
10 waiving its position that it's entitled to  
11 ask about all Feitian U.S. contacts, but I  
12 understand your objection.

13 BY MS. O'LAUGHLIN:

14 Q. Mr. Li, I want to remind you that you're  
15 still under oath; that you have promised to tell the  
16 truth in answering my questions. Do you understand  
17 that?

18 A. I understand.

19 Q. What did you do to prepare for today's  
20 deposition?

21 A. I understand the situation before.

22 Q. Mr. Li, that does not answer my question. My  
23 question is, what did you do to prepare to answer my  
24 questions today?

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1 INTERPRETER # 1: Can I ask him to speak  
2 louder?

3 MS. O'LAUGHLIN: Yes.

4 THE WITNESS: I would like to have my  
5 associate to review all related material.

6 BY MS. O'LAUGHLIN:

7 Q. Did you, Mr. Li, review any material?

8 A. I roughly review the information, but,  
9 however, my English is not very good.

10 Q. Does that mean that you did not understand  
11 what you reviewed?

12 A. Someone explain it to me.

13 Q. Who explained it to you?

14 A. Liu Hui.

15 Q. Is that the sales manager who is -- you were  
16 in charge of?

17 A. I don't quite understand.

18 Q. Okay. The last time when I asked you  
19 questions you told me that you are the vice manager in  
20 charge of sales and that Liu Hui reports to you. Is  
21 Mr. Liu the same person -- let me ask again.

22 Okay. The last time I asked you questions  
23 you told me you are the vice manager in charge of sales  
24 and that a man named Liu Hui or Hui Liu reports to you.



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1 Is Mr. Liu the person who reviewed the materials with  
2 you to prepare for today's deposition?

3 INTERPRETER # 1: Vice sales?

4 MS. O'LAUGHLIN: Vice manager in charge  
5 of sales.

6 INTERPRETER # 1: Hello?

7 Okay.

8 BY MS. O'LAUGHLIN:

9 Q. Okay. Do you remember what materials you  
10 reviewed with Mr. Liu?

11 INTERPRETER # 1: I asked him to speak  
12 louder.

13 THE WITNESS: I e-mailed to -- okay. I  
14 e-mail my document to -- okay.

15 INTERPRETER # 1: Can I ask him?

16 MS. O'LAUGHLIN: Yes.

17 INTERPRETER # 1: So it is not a e-mail.

18 I saw the information before.

19 BY MS. O'LAUGHLIN:

20 Q. Mr. Li, did you review any new material to  
21 prepare for the deposition today that you had not  
22 reviewed before the first day of the deposition?

23 A. Okay. The related material I already  
24 reviewed and I basically understand.

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1 Q. Okay. Mr. Li, I want you to remember to keep  
2 your voice loud because you are in your office in  
3 Beijing, I am in Philadelphia in my office with the  
4 interpreter and the court reporter, and your attorney  
5 is in his office in Texas.

6 A. Right.

7 Q. Okay. Right now your voice is okay to us.  
8 Okay. Mr. Li, did you ask Mr. Liu to look to see if  
9 there were any e-mails from anyone located in Delaware  
10 to Feitian?

11 A. I don't understand.

12 MS. O'LAUGHLIN: What did he say?

13 INTERPRETER # 1: Hello?

14 THE WITNESS: I don't understand your  
15 Chinese.

16 MS. O'LAUGHLIN: He doesn't understand  
17 your Chinese?

18 INTERPRETER # 1: So I translate the one  
19 that -- the Chinese in Beijing also is  
20 probably somewhat different in expression  
21 than what I learn in Southeast Asia.

22 MS. O'LAUGHLIN: Okay. Let us try to  
23 ask him if he just -- ask him if he can  
24 understand you at all because if not we can

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10

1 get another.

2 INTERPRETER # 1: Okay. There are two  
3 reasons; my accent, my Chinese accent, and my  
4 use of term. I don't -- some terms in  
5 Chinese I don't understand.

6 MS. O'LAUGHLIN: Okay. Matt?

7 MR. REEVES: Yes.

8 MS. O'LAUGHLIN: I'm going to call and  
9 get a new interpreter, so I'm going to ask  
10 you to -- both of you to hang up and call  
11 back in five minutes, and I'll have someone  
12 else on the line. Okay?

13 MR. REEVES: Five?

14 MS. O'LAUGHLIN: Right.

15 MR. REEVES: Okay.

16 MS. O'LAUGHLIN: So could you -- but  
17 before we get off, I'm going to ask the  
18 interpreter to tell Mr. Li that and --

19 MR. REEVES: I don't know if he'll  
20 understand.

21 MS. O'LAUGHLIN: And then to confirm,  
22 ask him to confirm that he understands that  
23 he is to call the same number in five  
24 minutes.

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1 MR. REEVES: Okay. Well, I think five  
2 minutes is kind of short. Can we make it  
3 ten?

4 MS. O'LAUGHLIN: Okay. We can make it  
5 ten.

6 MR. REEVES: Ten minutes, that will be  
7 my time 8:30, Texas time.

8 MS. O'LAUGHLIN: That will be 8:30 Texas  
9 time and 9:30 Beijing time and 9:30 Eastern  
10 Standard time. Okay.

11 MR. REEVES: Ten minutes.

12 MS. O'LAUGHLIN: Ten minutes. So wait a  
13 minute before you get off. I want to have  
14 the interpreter tell Mr. Li and get him to  
15 confirm that he understands.

16 MR. REEVES: All right.

17 INTERPRETER # 1: Okay.

18 MS. O'LAUGHLIN: Does he understand?

19 INTERPRETER # 1: Uh-huh.

20 MS. O'LAUGHLIN: Can you ask him if he  
21 understands?

22 INTERPRETER # 1: Okay. Okay. So it's  
23 better to find someone that can speak the  
24 Chinese without accent and knowledgeable in

WEI LI

12

1 commercial terminology.

2 MR. REEVES: Make sure he knows ten  
3 minutes, ten minutes call back.

4 MS. O'LAUGHLIN: Does he understand that  
5 he is to call back in ten minutes? Ask him  
6 that.

7 THE WITNESS: I understand.

8 MS. O'LAUGHLIN: Okay. So ten minutes,  
9 Matt.

10 MR. REEVES: Okay.

11 MS. O'LAUGHLIN: Bye.

12 (At this time, a brief recess was  
13 taken.)

14 MS. O'LAUGHLIN: We have a new  
15 interpreter.

16 INTERPRETER # 2: Let me see if I can  
17 communicate.

18 MS. O'LAUGHLIN: Would you tell him what  
19 I just said? So you're going to just  
20 translate what I just said. Just tell him,  
21 Mr. Li, we have a new interpreter.

22 Can you understand him?

23 INTERPRETER # 2: Hello?

24 MS. O'LAUGHLIN: Does he understand?

WEI LI

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1 INTERPRETER # 2: Hello?

2 I'm sorry. We cannot communicate that  
3 good. We are -- he don't understand me.  
4 It's different accents. I'm not  
5 communicating. Sorry.

6 MS. O'LAUGHLIN: So he doesn't  
7 understand you either?

8 INTERPRETER # 2: No. I'm sorry.

9 MS. O'LAUGHLIN: What is that? What's  
10 he saying? He doesn't understand you?

11 INTERPRETER # 2: Yeah, that's correct.  
12 Yeah.

13 MS. O'LAUGHLIN: Okay.

14 INTERPRETER # 2: Sorry for the  
15 convenience. I thought you need to  
16 understand completely.

17 MS. O'LAUGHLIN: I'll try to call back  
18 the company and ask the --

19 INTERPRETER # 2: Sorry for convenience.  
20 Bye.

21 MS. O'LAUGHLIN: Matt, could you just  
22 stay on the line?

23 MR. REEVES: Sure.

24 MS. O'LAUGHLIN: I'm going to try to

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1 patch another one in just a second.

2 (Brief pause.)

3 MS. O'LAUGHLIN: Matt, are you back on?

4 Would you just tell Mr. Li that we're  
5 waiting for Mr. Reeves?

6 INTERPRETER # 3: Okay. Mr. Li would  
7 like to know why the former interview did not  
8 continue.

9 MR. REEVES: Okay. I'm here.

10 MS. O'LAUGHLIN: Great. I just asked  
11 the new interpreter -- we now have a third  
12 interpreter on the line, and I just asked her  
13 to tell Mr. Li that we were waiting for you.

14 MR. REEVES: Okay. Mr. Li is on the  
15 line then?

16 MS. O'LAUGHLIN: Yes, because he --

17 MR. REEVES: All right.

18 MS. O'LAUGHLIN: He came on before you  
19 came on, but Mr. Li just asked the new  
20 interpreter a question.

21 Would you repeat what you said?

22 THE WITNESS: Okay. I would like to  
23 know why the former interpreter did not  
24 continue to interpret.

WEI LI

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1 MS. O'LAUGHLIN: Because, Mr. Li, you  
2 said that you did not understand that  
3 interpreter.

4 THE WITNESS: The first interpreter I  
5 did say that I did not understand him or her;  
6 however, the second one I did not say that I  
7 did not understand.

8 MS. O'LAUGHLIN: All right. Mr. Li,  
9 that was not my understanding from what the  
10 second interpreter told us, but I thank you  
11 for your patience. And now we have a third  
12 interpreter and are you having -- do you  
13 understand when she interprets?

14 THE WITNESS: Okay.

15 MS. O'LAUGHLIN: Yes, you understand?

16 THE WITNESS: Yes, I understand it now.

17 BY MS. O'LAUGHLIN:

18 Q. Great. Mr. Li, do you also understand that  
19 you are still under oath; that is that you have  
20 promised to tell -- you have sworn and promised to tell  
21 the truth in answering my questions today?

22 A. Yes.

23 Q. Mr. Li, did you review any materials to  
24 prepare for today's deposition?



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1 A. Yes, I did study the materials which I had  
2 before.

3 Q. What materials did you study?

4 A. The related documents.

5 Q. Could you identify what you mean by the  
6 related documents?

7 INTERPRETER # 3: Excuse me. This is  
8 the interpreter. I have to ask the witness  
9 to speak louder because I cannot hear him  
10 very well.

11 THE WITNESS: The related documents  
12 include the faxed materials between the  
13 customers or among the customers.

14 MS. O'LAUGHLIN: The faxed materials?

15 INTERPRETER # 3: Excuse me. This is  
16 interpreter. I have to ask him --

17 THE WITNESS: Yes, the documents are  
18 documents which were faxed, faxed document,  
19 F-A-X, document or copied materials.

20 BY MS. O'LAUGHLIN:

21 Q. Okay.

22 A. Or printed documents.

23 Q. Interpreter, I don't understand the answer  
24 then.

WEI LI

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1 INTERPRETER # 3: Printed documents and  
2 the faxed documents.

3 THE WITNESS: We used the printed  
4 machine to print the documents.

5 BY MS. O'LAUGHLIN:

6 Q. What documents?

7 A. The records of the customer and the records  
8 of the market.

9 Q. And the records of the what?

10 INTERPRETER # 3: Of the market,  
11 M-A-R-K-E-T.

12 BY MS. O'LAUGHLIN:

13 Q. Did you find in those records any customers  
14 located in Delaware?

15 A. No.

16 Q. Did you find in those records any customers  
17 located in California?

18 A. Yes.

19 Q. Okay. What customers are located in  
20 California?

21 A. I have given the information to my lawyer.

22 Q. Okay. Did you give your lawyer all the  
23 information that you found about customers located in  
24 California?

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1 A. Yes.

2 Q. Do you have those records that you gave your  
3 attorney in front of you?

4 A. No.

5 Q. Can you get them?

6 A. Yes.

7 Q. Okay. Could you get them and have them in  
8 front of you, because I'm going to ask you questions  
9 about them?

10 A. Yes.

11 Q. Okay. How long will that take?

12 A. About five minutes.

13 Q. Okay. We will all hold.

14 A. Okay.

15 (Brief pause.)

16 BY MS. O'LAUGHLIN:

17 Q. Mr. Li?

18 A. Hi.

19 Q. Okay. If you could look -- you have the  
20 documents in front of you now?

21 A. Yes.

22 Q. Okay. If you would, look at the Performa  
23 invoice that's dated April 13, 2003, showing the  
24 exporters Feitian Technology Company, Limited and sold

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1 to Susteen, Inc. Do you see that?

2 INTERPRETER # 3: Would you please  
3 repeat the corporations' names? The date was  
4 April 13, 2003 of which?

5 MS. O'LAUGHLIN: 2005. 2005.

6 INTERPRETER # 3: 2005. Of which  
7 corporation, please?

8 MS. O'LAUGHLIN: Susteen, S-U-S-T-E-E-N,  
9 Inc.

10 INTERPRETER # 3: S-U-S-T-E-E-N.  
11 Susteen.

12 MS. O'LAUGHLIN: Susteen, Inc., just  
13 incorporated.

14 INTERPRETER # 3: Okay.

15 MS. O'LAUGHLIN: Interpreter, let me  
16 just ask it again and maybe it will be  
17 easier.

18 INTERPRETER # 3: Okay.

19 BY MS. O'LAUGHLIN:

20 Q. Do you have in front of you the Performa  
21 invoice dated April 13, 2005 showing a sale to Susteen?

22 A. Yes.

23 Q. Okay. And for the record, this document was  
24 Bates stamped FT 00052. Do you know if --

WEI LI

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1 A. What is that, 00052?

2 Q. I was just -- you didn't need to interpret  
3 that, but let me --

4 INTERPRETER # 3: I didn't know that.

5 BY MS. O'LAUGHLIN:

6 Q. But now that he asked, let me explain that  
7 you can tell Mr. Li that when Feitian, when his  
8 attorney produced this document, all these documents,  
9 they put numbers at the bottom to identify them.

10 INTERPRETER # 3: I see.

11 MS. O'LAUGHLIN: So I was just  
12 identifying the document for the record.

13 INTERPRETER # 3: Okay.

14 MS. O'LAUGHLIN: In the lawsuit.

15 INTERPRETER # 3: Okay.

16 MS. O'LAUGHLIN: So you can explain that  
17 to him.

18 INTERPRETER # 3: Okay. I understand.

19 BY MS. O'LAUGHLIN:

20 Q. Okay. Mr. Li, where did you find this  
21 document?

22 A. At home.

23 Q. Okay. At your home?

24 A. No, in my office, in office.

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21

1 Q. Okay. Do you know, were there any other  
2 documents concerning any sales to Susteen other than  
3 this document?

4 INTERPRETER # 3: I have to ask him to  
5 speak louder.

6 THE WITNESS: No, I did not find  
7 anymore.

8 BY MS. O'LAUGHLIN:

9 Q. Okay. Did you look for any other documents  
10 about Susteen?

11 A. I did look for it; however, I did not find  
12 any.

13 Q. Did you look to see if -- did you look to see  
14 if there were any e-mails from or to Susteen?

15 A. I also looked for it, but I did not find any.

16 Q. Okay. Where did you look?

17 A. In the computer of Liu Hui.

18 Q. Of who?

19 A. Of Liu Hui.

20 Q. Okay. That is your sales manager?

21 A. Yes.

22 Q. Okay. Did you look in anyone else's? Did  
23 you look anywhere else for any documents concerning  
24 sales to Delaware or California other than in Mr. Liu's

WEI LI

22

1 computer?

2 INTERPRETER # 3: I have to ask him to  
3 repeat. The voice is still not loud enough.

4 THE WITNESS: Yes, I look for it in all  
5 the files, but I did not find any.

6 BY MS. O'LAUGHLIN:

7 Q. Okay. When you say you looked in all the  
8 files, please describe what files you looked in?

9 A. Meaning the folders to put the documents in.

10 Q. What folders?

11 A. It is the folders which related to customers'  
12 information.

13 Q. That customer information, how many years  
14 does it cover?

15 A. Only important information which I think I  
16 need to keep. All the information is in the folder.

17 Q. Did you look through all of Feitian's sales  
18 records from October 1999 until the present for the  
19 information about communications or sales to Delaware  
20 or -- from Delaware or California?

21 INTERPRETER # 3: Can you mention the  
22 states again and the corporation name?

23 BY MS. O'LAUGHLIN:

24 Q. Yes. The last time we spoke you said that

WEI LI

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1 Feitian only kept records for three months. Did you  
2 find records -- was that a mistake? Are you saying now  
3 that you looked that Feitian has records going back to  
4 October of 1999?

5 A. I think you misunderstood what I meant. Was  
6 the information was kept by the person who was in  
7 charge and after three month the information was moved  
8 to a folder which other people can also have access to.

9 Q. So you are testifying today that you have  
10 looked through all of Feitian's business records from  
11 October 1999 to the present concerning sales or  
12 communications from or to Feitian and Delaware and  
13 California and you have produced everything that you  
14 found to your attorney; is that correct?

15 A. Yes.

16 Q. Okay. If you would look at -- well, looking  
17 back at the Performa invoice to Susteen, is this a  
18 document that was created by Feitian?

19 A. Yes.

20 Q. Okay. Does it show that there was -- does  
21 this indicate that there was a sale by Feitian to  
22 Susteen?

23 A. Yes.

24 Q. Okay. And what was sold was 500 pieces of



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1 Rocky 100 for a total price of 7,500 Unites States  
2 dollars?

3 INTERPRETER # 3: Excuse me. 7,500 how  
4 much?

5 MS. O'LAUGHLIN: United States dollar.

6 INTERPRETER # 3: U.S. dollars?

7 MS. O'LAUGHLIN: Yes.

8 THE WITNESS: Yes.

9 BY MS. O'LAUGHLIN:

10 Q. Okay. And Feitian shipped the product to  
11 Susteen in Irvine, California by DHL International?

12 A. That's right.

13 Q. Okay. And that freight charge was 80 U.S.  
14 dollars; is that correct?

15 A. Yes.

16 Q. Did Feitian receive \$7,580 for that sale?

17 A. Excuse me. I didn't hear.

18 Yes.

19 Q. And how was that payment made? Do you know?

20 A. It was by wire.

21 Q. And is the wire transfer information the  
22 information that's set forth on the bottom of the  
23 Performa invoice?

24 INTERPRETER # 3: Excuse me. Would you

WEI LI

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1                   please repeat the question?

2                   MS. O'LAUGHLIN: Yes.

3 BY MS. O'LAUGHLIN:

4 Q.           Is the wire transfer information for Feitian  
5 located on this Performa invoice at the bottom?

6 A.           Yes.

7 Q.           Okay. Does Feitian have any records of  
8 monies that it receives from sales to California?

9 A.           No, I did not find it. I just made a check,  
10 you know, the check does show the money was received.

11 Q.           My question is, Mr. Li, does Feitian have  
12 records that show specifically revenue that they,  
13 Feitian, received from sales in California?

14 A.           Are you asking specifically for the sales to  
15 California?

16 Q.           Yes.

17 A.           No.

18 Q.           Has Feitian ever done any analysis to see how  
19 much revenue Feitian has received because of sales to  
20 California?

21 A.           No.

22 Q.           Okay. Does Feitian keep track of revenues  
23 generated because of sales to the United States?

24 A.           No.

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1 Q. If you would look at the purchase order, to  
2 purchase order number 12944 to a company called ICRCO.

3 INTERPRETER # 3: Okay. ICRCO?

4 MS. O'LAUGHLIN: Yes.

5 INTERPRETER # 3: And the number is  
6 12944.

7 MS. O'LAUGHLIN: Yes, the purchase --  
8 the document is entitled purchase order.  
9 It's number 129444, okay, and it's Bates  
10 stamped FT 00055.

11 INTERPRETER # 3: Okay. Your question  
12 is?

13 BY MS. O'LAUGHLIN:

14 Q. Ask him to look for the purchase order number  
15 12944 to ICRCO.

16 A. Yes.

17 Q. You have that in front of you?

18 A. Yes.

19 Q. Okay. And is this a purchase order that was  
20 created by Feitian?

21 A. The specific order number 12944 was not  
22 created by Feitian.

23 Q. Okay. Do you know who created it?

24 A. It's created by ICR Corporation.

WEILI

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1 Q. Okay. Is ICRCO a customer of Feitian?

2 A. Yes.

3 Q. Okay. Do you know how long it's been a  
4 customer of Feitian?

5 A. I think it's begin earlier this year,  
6 beginning of this year.

7 Q. Okay. Well, the top of this purchase order  
8 the date is 1/24/2006, so January 24, 2006, do you know  
9 if this was the first -- do you know if there were any  
10 earlier sales to ICRCO?

11 A. I did not find it.

12 Q. Okay. Did you find any e-mails to or from  
13 ICRCO?

14 A. No.

15 Q. Do you know how ICRCO became a customer of  
16 Feitian?

17 A. It was transferred from RF Ideas.

18 Q. RF Ideas?

19 INTERPRETER # 3: Excuse me.

20 MS. O'LAUGHLIN: RF Ideas.

21 BY MS. O'LAUGHLIN:

22 Q. And RF Ideas was Feitian's distributor in the  
23 United States?

24 INTERPRETER # 3: Excuse. Your question

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1 is RF Ideas is?

2 BY MS. O'LAUGHLIN:

3 Q. Was RF Ideas Feitian's distributor for  
4 Feitian's products in the United States?

5 A. It originally was.

6 Q. Okay. And at this time, at the time of this  
7 purchase order, it was no longer your distributor; is  
8 that correct?

9 A. That's right.

10 Q. Do you know when RF Ideas was your  
11 distributor whether ICRCO was a customer of Feitian?

12 INTERPRETER # 3: Would you please  
13 repeat the question?

14 MR. REEVES: Would you wait just one  
15 minute while I get this vacuum cleaner turned  
16 off.

17 MS. O'LAUGHLIN: Sure.

18 INTERPRETER # 3: Mr. Li wants to know  
19 what his lawyer said; however -- this is the  
20 interpreter -- I did not hear very well what  
21 the lawyer said.

22 MR. REEVES: Doesn't matter. I'm back.

23 BY MS. O'LAUGHLIN:

24 Q. I believe my last question was, how do you

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1 know whether ICRCO was a customer that came from RF  
2 Ideas?

3 A. I was told by Liu Hui. Liu Hui told me.

4 Q. Did Mr. Liu tell you whether there had been  
5 other sales, prior sales, to ICRCO by Feitian?

6 A. All the information he found was this much.

7 Q. Did you ask Mr. Liu how he knew that ICRCO  
8 came from -- was a customer that came to Feitian  
9 through RF Ideas?

10 A. Yes, I ask.

11 Q. And what did he say?

12 A. He said yes.

13 Q. Does Feitian have records of all of the  
14 customers that came to RF -- came to Feitian through RF  
15 Ideas?

16 A. Yes.

17 Q. Did you look through those records?

18 A. Yes.

19 Q. And did you look through those records for  
20 any sales of Feitian products made by RF Ideas to  
21 California?

22 A. Yes, I looked.

23 Q. What kind of records does Feitian keep about  
24 sales made through RF Ideas?

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1 A. Invoice.

2 Q. Any others, kinds of records?

3 A. There are e-mails.

4 Q. Okay. Did you produce all of the records  
5 that you have concerning sales by RF Ideas in  
6 California or e-mails from RF Ideas to California to  
7 your attorney?

8 INTERPRETER # 3: Would you please  
9 repeat this question, please?

10 MS. O'LAUGHLIN: Sure.

11 MR. REEVES: I would object to the  
12 extent that that seeks information beyond  
13 Feitian contacts with Delaware or California  
14 and begin to inquire into RF Ideas with  
15 Delaware or California.

16 INTERPRETER # 3: I didn't hear very  
17 well what the attorney said.

18 MS. O'LAUGHLIN: He was just making an  
19 objection. Matt, do you want that  
20 interpreted?

21 MR. REEVES: I would like that  
22 interpreted. I'm objecting to the question  
23 to the extent that it goes beyond Feitian's  
24 contacts with California or Delaware and

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1 seeks information pertaining to RF Ideas'  
2 contacts with California or Delaware or  
3 Feitian's contacts with RF Ideas, which did  
4 not occur in either Delaware or California.

5 THE WITNESS: Okay. I understand.

6 BY MS. O'LAUGHLIN:

7 Q. Well, Mr. Li, could you answer the question,  
8 please?

9 A. I don't want to answer.

10 MS. O'LAUGHLIN: Mr. Reeves, are you  
11 taking the position that if RF Ideas had a  
12 communication with a customer in California  
13 on behalf of Feitian trying to sell Feitian  
14 products or offering Feitian products for  
15 sale to the customer in California that that  
16 communication between RF Ideas and that  
17 California customer which was then copied to  
18 Feitian is beyond the scope of the  
19 jurisdictional discovery ordered by the  
20 Court?

21 MR. REEVES: Yes, I am saying that.

22 Feitian had contacts with its distributor RF  
23 Ideas and if RF Ideas in turn sold those to  
24 other places in the country, then that is not



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1 a contact between Feitian and any of those  
2 other places. In other words, RF Ideas  
3 cannot make vicariously a contact between  
4 Feitian and somebody that's not communicated  
5 with --

6 MS. O'LAUGHLIN: Someone who did not  
7 communicate with Feitian.

8 MR. REEVES: That Feitian did not  
9 communicate with. In other words, there's no  
10 vicarious personal jurisdiction.

11 MS. O'LAUGHLIN: So if Feitian -- if RF  
12 Ideas -- so RF Ideas was Feitian's U.S.  
13 distributor and RF Ideas on behalf of Feitian  
14 makes a sale to a customer in California,  
15 your contention is that that does not have  
16 anything to do with whether or not the  
17 Court -- a Court in California would have  
18 jurisdiction over Feitian?

19 MR. REEVES: Well, first off, I disagree  
20 with the premise of your question that RF  
21 Ideas was acting on behalf of Feitian. RF  
22 Ideas was not necessarily an agent for  
23 Feitian. Feitian simply sold the products to  
24 RF Ideas and then RF Ideas resold those

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1 products. That's not acting on behalf of  
2 Feitian. Feitian was not actively trying to  
3 do business in those other jurisdictions.  
4 They were simply selling it. But I disagree  
5 with the premises of your questions to the  
6 extent you're saying that Feitian makes a  
7 sale to RF Ideas in Illinois and RF Ideas did  
8 make that sale to, let's say, Texas.

9 MS. O'LAUGHLIN: Well, let's say  
10 California.

11 MR. REEVES: Then it is subject to  
12 personal jurisdiction in Texas. My answer is  
13 no.

14 BY MS. O'LAUGHLIN:

15 Q. Okay. Mr. Li, RF Ideas was the distributor  
16 for Feitian in the United States, correct?

17 A. It originally was.

18 Q. Do you know what or from -- for what period  
19 of time it was the distributor?

20 A. From 2003 to 2005.

21 Q. Okay. And during that period of time RF  
22 Ideas sales territory was the whole United States; is  
23 that correct?

24 MR. REEVES: I'm going to object to this

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1 line of questioning that involves contacts  
2 between Feitian and RF Ideas. You already  
3 know that Feitian had RF Ideas distributor.  
4 There's no secret about that, but the  
5 communication between contacts between  
6 Feitian and RF Ideas which occurred in  
7 Illinois is beyond the scope of discovery  
8 permitted by the Court.

9 Now, if you want to talk about contacts  
10 between Feitian and somebody in California,  
11 that's permissible. You can ask him all the  
12 questions you want. If you want to ask about  
13 contacts with Feitian and anybody in  
14 Delaware, that's fine too. But if you want  
15 to start going into detail about Feitian's  
16 relationship with RF Ideas in context that  
17 may have occurred in Illinois, then that's  
18 beyond the scope of the discovery order  
19 permitted by the Court.

20 MS. O'LAUGHLIN: So you're not going to  
21 let him answer questions about that.

22 MR. REEVES: I'm not going to instruct  
23 him not to. I'm simply saying that I'm  
24 objecting. It's beyond the scope and they

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1 can answer your questions if they choose to.

2 BY MS. O'LAUGHLIN:

3 Q. Mr. Li, when RF Ideas was Feitian's  
4 distributor, it could make sales of Feitian products in  
5 California; is that correct?

6 MR. REEVES: And I repeat my same  
7 objection.

8 THE WITNESS: Please do not ask me too  
9 many questions about the relationship between  
10 Feitian and RF Ideas. That's beyond the  
11 scope.

12 BY MS. O'LAUGHLIN:

13 Q. Mr. Li, that's an interesting answer since  
14 the interpreter did not translate Mr. Reeves's  
15 objection. Will you answer my question as to whether  
16 or not when RF Ideas was Feitian's distributor in the  
17 United States it could make sales of Feitian products  
18 to California?

19 A. Yes.

20 Q. And during the period of time that RF Ideas  
21 was Feitian's distributor in the United States, could  
22 Feitian -- could RF Ideas make sales of Feitian  
23 products in Delaware?

24 A. Yes.

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1 Q. During the period of time that RF Ideas was  
2 the distributor for Feitian, did Feitian pass any leads  
3 to RF Ideas concerning possible customers in  
4 California?

5 A. No, we do not. I did not find any records  
6 relating to this.

7 Q. Well, you testified earlier that Mr. Liu told  
8 you that ICRCO came to Feitian through RF Ideas. Do  
9 you know how RF Ideas -- was that a lead that was  
10 passed to RF Ideas?

11 INTERPRETER # 3: I didn't understand  
12 the second part you said.

13 BY MS. O'LAUGHLIN:

14 Q. Okay. Let me ask this way. Did Mr. Liu tell  
15 you where he got the information from that ICRCO came  
16 to Feitian from RF Ideas?

17 A. ICR Company told Mr. Liu about this.

18 Q. When did they tell Mr. Liu about this?

19 A. I did not hear very well.

20 I'm not certain the exact time, the exact  
21 date.

22 Q. If you would look at the invoice that's dated  
23 January 26, 2006 showing a sale to ICRCO -- do you have  
24 that in front of you?

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1 A. Yes.

2 Q. Okay. And for the record, that's Bates  
3 stamped FT 00056. Mr. Li, is this the invoice that was  
4 generated by Feitian concerning the purchase order  
5 number 12944?

6 A. You are talking about the invoice now, not  
7 the purchase order, right?

8 Q. Yes.

9 A. Yes, the invoice was created by Feitian.

10 Q. If you would look at the -- there is another  
11 purchase order and another invoice to ICRCO. The  
12 purchase number is 13187, and the invoice has that same  
13 PO number on it. Do you see those documents? They  
14 were Bates stamped FT 00058 and 59.

15 INTERPRETER # 3: Okay. That date is  
16 December 27th?

17 MS. O'LAUGHLIN: No.

18 INTERPRETER # 3: I'm sorry. It's  
19 121 --

20 MS. O'LAUGHLIN: 13187, purchase order  
21 number.

22 BY MS. O'LAUGHLIN:

23 Q. Do you see in front of you purchase order  
24 13187 dated May 2, 2006, which has been Bates stamped

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1 by your counsel as FT 00058?

2 A. Yes.

3 Q. Okay. And there is another document, an  
4 invoice, that's dated June 8, 2006, and the invoice has  
5 a PO number 13187. It's been Bates stamped FT 00058.

6 Do you have that in front of you?

7 A. You said February 8th?

8 Q. June 8th.

9 A. June 8th, yes.

10 Q. Okay. So that invoice is for sale to ICRCO  
11 relating to ICRCO purchase order number 13187; is that  
12 correct?

13 A. Yes.

14 Q. Okay. Then there's another invoice that's  
15 dated November -- well, strike that.

16 Are those the only two invoices and purchase  
17 orders that you found related to ICRCO?

18 A. Yes.

19 Q. Okay. When RF Ideas was your distributor, if  
20 RF Ideas made a sale of Feitian products to California,  
21 would RF Ideas tell Feitian that it had made that sale?

22 A. No.

23 Q. Okay. How would RF Ideas make -- would RF  
24 Ideas send any purchase orders to Feitian and ask